

## Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ISO-00 L-03 AGRE-00 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04 TRSE-00

FRB-03 OMB-01 PA-01 PRS-01 ARA-10 /056 W

-----011813 201752Z /53

R 201321Z JUN 77

FM AMEMBASSY ANTANANARIVO

TO SECSTATE WASHDC 9362

LIMITED OFFICIAL USE ANTANANARIVO 1144

E.O. 11652:N/A

TAGS: ETRD, EAGR, MA

SUBJECT: BRAZILIAN COFFEE PURCHASES

REF: STATE 136727

1. IN ABSENCE OF ECON/COMMERCIAL OFFICER, I CARRIED OUT INSTRUCTION CONTAINED REFTEL WITH DIRECTOR OF FOREIGN TRADE AT THE MINISTRY OF ECONOMY AND COMMERCE. IN REPLY TO MY APPROACH, MISS GUERRA SAID THAT RECENT ABRUPT RISE IN PRICE OF COFFEE HAD FOLLOWED A LONG PERIOD OF PRICE STAGNATION AND THEREFORE WAS OVERDUE. SHE AGREED THAT PRICE AT THIS TIME MIGHT BE TOO HIGH, BUT THAT IT WAS HOPED A LONG-RUN PRICE COULD BE ARRIVED AT BETWEEN \$2.50-3.00. SHE THOUGHT SUCH A PRICE REASONABLE AND, THEREFORE, IT WOULD BE UNFORTUNATE IF CONSUMER GOVERNMENTS WERE TO TRY TO DELIVERATELY REDUCE COFFEE IMPORTS. SUCH A PRICE AT PRESENT LEVELS OF TRADE WOULD ALSO REPRESENT IMPORTANT FORM OF ASSISTANCE FROM THE DEVELOPED WORLD TO THE UNDERVELOPED COUNTRIES. MISS GUERRA SAID SHE THOUGHT THAT, GIVEN THE PRESENT PRICE SITUATION, THE MADAGASCAR QUOTE AND OTHERS WOULD NOT BE CHANGED UNTIL AFTER THE EXPIRATION OF THE PRESENT COFFEE AGREEMENT, AND THAT AFTER THAT DATE A NEW FORMULA WOULD BE USED FOR SETTING QUOTAS.

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2. I POINTED OUT THAT IT WAS CONSUMER REACTION RATHER THAN GOVERNMENT POLICY WHICH MIGHT DECREASE CONSUMPTION IN THE US. HOWEVER, MISS GUERRA WENT BACK TO HER ARGUMENT THAT THE COFFEE TRADE, IF MAINTAINED AT PRESENT LEVELS, WOULD BE AN IMPORTANT ELEMENT IN TRANSFER OF RESOURCES FROM NORTH TO SOUTH. SHE ALSO SAID THAT BRAZIL'S PURCHASES WERE NOT FOR PURPOSE OF MAINTAINING HIGH PRICES OR FOR BUILDING

UP STOCKS, BUT WERE GENUINELY NECESSARY FOR BRAZIL'S  
INTERNAL CONSUMPTION.BARRETT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, PRICES, TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 20-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ANTANA01144  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770219-0994  
**Format:** TEL  
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**Handling Restrictions:** n/a  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** fb5e827a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 136727  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2100894  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRAZILIAN COFFEE PURCHASES  
**TAGS:** ETRD, EAGR, MA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/fb5e827a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009